

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

## **SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

vs.

CRAIG ARSENAULT, ATLAS  
CAPITAL MANAGEMENT, INC.,  
and ACT GLOBAL INVESTMENTS,

### Defendants.

Case No. 8:18-cv-02220-DOC (KESx)

## JUDGEMENT AS TO DEFENDANT CRAIG ARSENAULT [17]

The Securities and Exchange Commission having filed a Complaint and Defendant Craig Arsenault (“Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VI); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

IT IS ORDERED, ADJUDGED AND DECREED that Defendant is permanently restrained from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme or artifice to defraud;
  - B. making any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not materially misleading; and
  - C. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;

in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5 thereunder [17 C.F.R. §§ 240.10b-5].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS FURTHER ORDERED that Defendant is permanently restrained and enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- A. employing any device, scheme or artifice to defraud;
  - B. obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
  - C. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser;

in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS FURTHER ORDERED that Defendant is permanently restrained and enjoined from:

- A. employing any device, scheme or artifice to defraud any client or prospective client; and
  - B. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any client or prospective client;

1 80b-6(2).

2           **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as  
3 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
4 binds the following who receive actual notice of this Judgment by personal service  
5 or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys;  
6 and (b) other persons in active concert or participation with Defendant or with anyone  
7 described in (a).

8    **IV.**

9           **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that  
10 Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon,  
11 and a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C.  
12 § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section  
13 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]. The Court shall determine the  
14 amounts of the disgorgement and civil penalty upon motion of the Commission.  
15 Prejudgment interest shall be calculated from January 1, 2014 based on the rate of  
16 interest used by the Internal Revenue Service for the underpayment of federal income  
17 tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's  
18 motion for disgorgement and/or civil penalties, and at any hearing held on such a  
19 motion: (a) Defendant will be precluded from arguing that he did not violate the  
20 federal securities laws as alleged in the Complaint; (b) Defendant may not challenge  
21 the validity of the Consent or this Judgment; (c) solely for the purposes of such  
22 motion, the allegations of the Complaint shall be accepted as and deemed true by the  
23 Court; and (d) the Court may determine the issues raised in the motion on the basis of  
24 affidavits, declarations, excerpts of sworn deposition or investigative testimony, and  
25 documentary evidence, without regard to the standards for summary judgment  
26 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with  
27 the Commission's motion for disgorgement and/or civil penalties, the parties may  
28 take discovery, including discovery from appropriate non-parties.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

VIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

SO ORDERED.

Dated: March 4, 2019

David O. Carter  
DAVID O. CARTER  
UNITED STATES DISTRICT JUDGE